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RUEHLN RUEHLZ RUEHNP RUEHPOD RUEHROV RUEHSR RUEHVK RUEHYG
DE RUEHSK #0164/01 1421858
ZNR UUUUU ZZH
R 221858Z MAY 09
FM AMEMBASSY MINSK
TO RUEHC/SECSTATE WASHDC 0274
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RUEHSK/AMEMBASSY MINSK 0278

UNCLAS SECTION 01 OF 02 MINSK 000164

SIPDIS

E.O. 12958: N/A
TAGS: [PGOV](#) [PREL](#) [PHUM](#) [ECON](#) [BO](#)
SUBJECT: BELARUS WEEKLY POL/ECON REPORT - MAY 22, 2009

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[¶1.](#) The following are brief items of interest compiled by
Embassy Minsk.

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Civil Society

[¶2.](#) Opposition Activists Detained

Police detained eight members of the United Civic Party (UCP) in central Volkovysk on May 16. The activists were protesting the arrests of local activists and entrepreneurs Nikolay Avtukhovich, Vladimir Osipenko and Yuriy Leonov and also distributing leaflets urging their immediate release. All were charged with staging an unauthorized protest and released three hours later. Grodno-based UCP leader Yuriy Istomin reported that he was assaulted after the demonstration on May 16. Police identified but neither detained nor interrogated the offenders.

[¶3.](#) Human Rights Advocate Loses Appeal

A Minsk district court dismissed May 15 a lawsuit filed by human rights lawyer Oleg Volchek to seek compensation for moral damages from the Presidential Administration-controlled daily Belarus Today. The paper had published an article March 6 about the late Yana Polyakova, Volchek, and other human rights activists.

Domestic Economy

[¶4.](#) Deputy Economy Minister: No more external financing needed

According to the media, speaking at the annual meeting of the European Bank for Reconstruction and Development (EBRD) in London May 15, Deputy Economy Minister Pyotr Zhabko allegedly asserted that the GOB needs no more outside financing to mitigate the effects of the global financial crisis as both Russian and EU markets are stabilizing. "We count that the economic situation in Russia will improve and the demand on our products in the EU will not fall", said Deputy Minister expressing confidence that "if there is need for more external financing again, international institutions will be there to assist".

15. National Bank refutes accusations of limiting hard currency sales

According to various media reports, the National Bank (NB) issued a verbal instruction May 18 to deny until June 1 bids of importers seeking to purchase hard currency at the currency exchange. These rumors were flatly refuted by the NB First Deputy Chairman Pavel Kallaur, who assured no such instruction have been issued and both purchases and sales of hard currency at the currency exchange proceed without any limitations and in full compliance with existing regulations. Nevertheless, according to the information received by Post from some of its business contacts, such limitations are in place and significantly impede their business operations.

16. Natural gas price to fall July 1

Deputy Prime Minister Semashka announced May 21 that although Belarus had been paying \$210 per thousand cubic meters (tcm) of gas early this year, the price dropped to \$147 at some point and will fall further to \$103/tcm July 1.

17. GOB works to increase energy efficiency

Deputy Prime Minister Semashka described Belarus as 2-2.5 times

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less energy efficient than other industrially developed countries. In 2008, the economy consumed 320 kilos of oil equivalent to produce \$1,000 of GDP; twenty years ago the number was 750 kilos. He assured that the GOB is working hard to reduce energy consumption, and cited the planned Nuclear Power Plant (NPP) to be built 2015-2018 as key to further energy saving efforts.

Quote of the Week

18. Chairman of the National Security Committee of the Lower House of Parliament Viktor Guminsky told the Interfax-West news agency May 19 that recognition or non-recognition of Abkhazia and South Ossetia "is not a regular issue...Today we can ask ourselves a question how prepared Belarus is for potential discussions, which may follow and how the other side, I mean Russia, is prepared to offset whatever may happen to our country".

MOORE